

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

Industrial Promotion – Extension of certain Incentives under IIPP 2010-15 Policy to M/s. Mahindra & Mahindra Ltd for their proposed **"4 wheeler sub one ton light commercial and passenger vehicles"** manufacturing facility at Zaheerabad, Medak District under Industrial Investment Promotion Policy (IIPP) 2010-15 - Sanction - Orders - Issued.

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**INDUSTRIES & COMMERCE (IP) DEPARTMENT**

**G.O.Ms.No. 18**

**Dated: 21-01-2014**

Read the following:

- 1 Letter from M/s. Mahindra & Mahindra Ltd. dated: 04.02.2013
- 2 State Investment Promotion Board Meeting held on 26.04.2013
- 3 From the COI, A.P., Hyderabad Single File No.15/1/2013/11296, Dt:nil
- 4 Letters from M/s Mahindra & Mahindra Ltd Dt:07.12.2013 & 09.12.2013
- 5 Govt. Memo No.2028/IP/A2/2013, Dt:13.12.2013
- 6 From the COI, Hyderabad Lr.No.15/1/2010/1550/1550/ID, Dt:17.12.2013

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**ORDER:-**

In the reference 1<sup>st</sup> read above, M/s Mahindra & Mahindra Ltd proposed to expand the existing Auto Plant for producing new **"4 wheeler sub one ton light commercial and passenger vehicles"** with a capacity of 92,000 Vehicles per year at Zaheerabad, Medak District with an investment over Rs.250.00 Crore and to provide employment to 500 persons.

2. M/s. Mahindra and Mahindra, Zaheerabad, Medak District has requested the following incentives:

- a. Exemption from power cuts
- b. All the benefits given to Tractor plant like reimbursement of gross VAT.
- c. Investment of Rs.250 crore to be made within 6 months from the date of commercial production whether funding is self-financed or through optimum mix debt and equity / internal accruals.

3. In the reference 2<sup>nd</sup> read above, the State Investment Promotion Board in its meeting held on 26-4-2013 decided to extend the following incentives to the company:

- a. 100 % Net VAT/CST reimbursement for a period of 10 years from the date of commencement of commercial production or to the extent of 100% of investment made whichever is earlier.
- b. To reduce the VAT on all auto components manufactured in the State and supply to Automobile manufacturers for the manufacture of Automobiles from the present 14.5% to 5% to promote Automobile industries.
- c. All other benefits as per IIPP 2010-15 policy.

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4. Government after careful examination of the proposal from the Commissioner of Industries, A.P., Hyderabad and in view of the recommendations of the State Investment Promotion Board, hereby extend the following incentives to M/s Mahindra & Mahindra Ltd. for their proposal to set up **4 wheeler sub one ton light commercial and passenger vehicles** manufacturing facility at Zaheerabad Medak District, by producing 92,000 vehicles per year with an investment of Rs.250 crore and to provide employment to 500 persons, out of which at least 80% of employment to the candidates belonging to Andhra Pradesh State shall be provided for becoming eligible to the incentives specified hereunder.

- a. **100% Net VAT/CST reimbursement for a period of 10 years from the date of commencement of commercial production or to the extent of 100% of investment made whichever is earlier.**
- b. All other benefits as per IIPP 2010-15 policy as follows:
  - i. 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use and for lease of land/shed/buildings and also mortgages and hypothecations.
  - ii. Fixed power cost reimbursement @ Rs.0.75 per unit (upper ceiling) on the rates (2010-11) for 5 years from the date of commencement of commercial production.

In case, decrease in Power Tariff, the reimbursement will be reduced proportionately.

- iii. 25% subsidy on specific cleaner production measures limited to Rs.5.00 Lakhs.
- iv. 50% Reimbursement of cost involved in skill up gradation and training the local manpower limited to Rs.2000 per person.

5. The Commissioner of Industries, A.P., Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to Government.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**K. PRADEEP CHANDRA,  
PRINCIPAL SECRETARY TO GOVERNMENT AND  
COMMISSIONER FOR INDUSTRIAL PROMOTION**

To

The Commissioner of Industries, Andhra Pradesh, Hyderabad  
M/s. Mahindra & Mahindra Ltd .through the Commissioner of Industries, A.P.  
Hyderabad.

The District Collector, Medak District.

Copy to

The Accountant General, Andhra Pradesh, Hyderabad

The Finance (Exp. I&C) Department. / The Energy Department

The Law (J) Department.

The Chairman & Managing Director, APIIC, Hyderabad

The Irrigation & CAD (Reforms) Dept. /The Revenue (CT) Department.

The Commissioner of Commercial Taxes, Hyderabad

The Chairman & Managing Director, APTRANSCO., Hyderabad

The Managing Director, APCPDC Ltd., Hyderabad

P.T.O

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The GM, DIC, Medak District through the Commissioner of Industries, A.P.  
Hyderabad.

P.S. to Minister (Major Industries)/ P.S. to Spl. Chief Secretary,  
Rev. Dept./P.S.to Prl. Secy. to Govt., Rev.(CT) Dept./P.S. to Prl.  
Secy. to CM/P.S. to Prl.Secy. (Irrigation) Dept./P.S. to Spl.CS,  
Energy Dept./P.S. to Prl. Secy. & CIP/P.S. to Secretary to Govt.  
(Legal Affairs).  
SC/SF

//Forwarded:: By:: Order//

**SECTION OFFICER**